



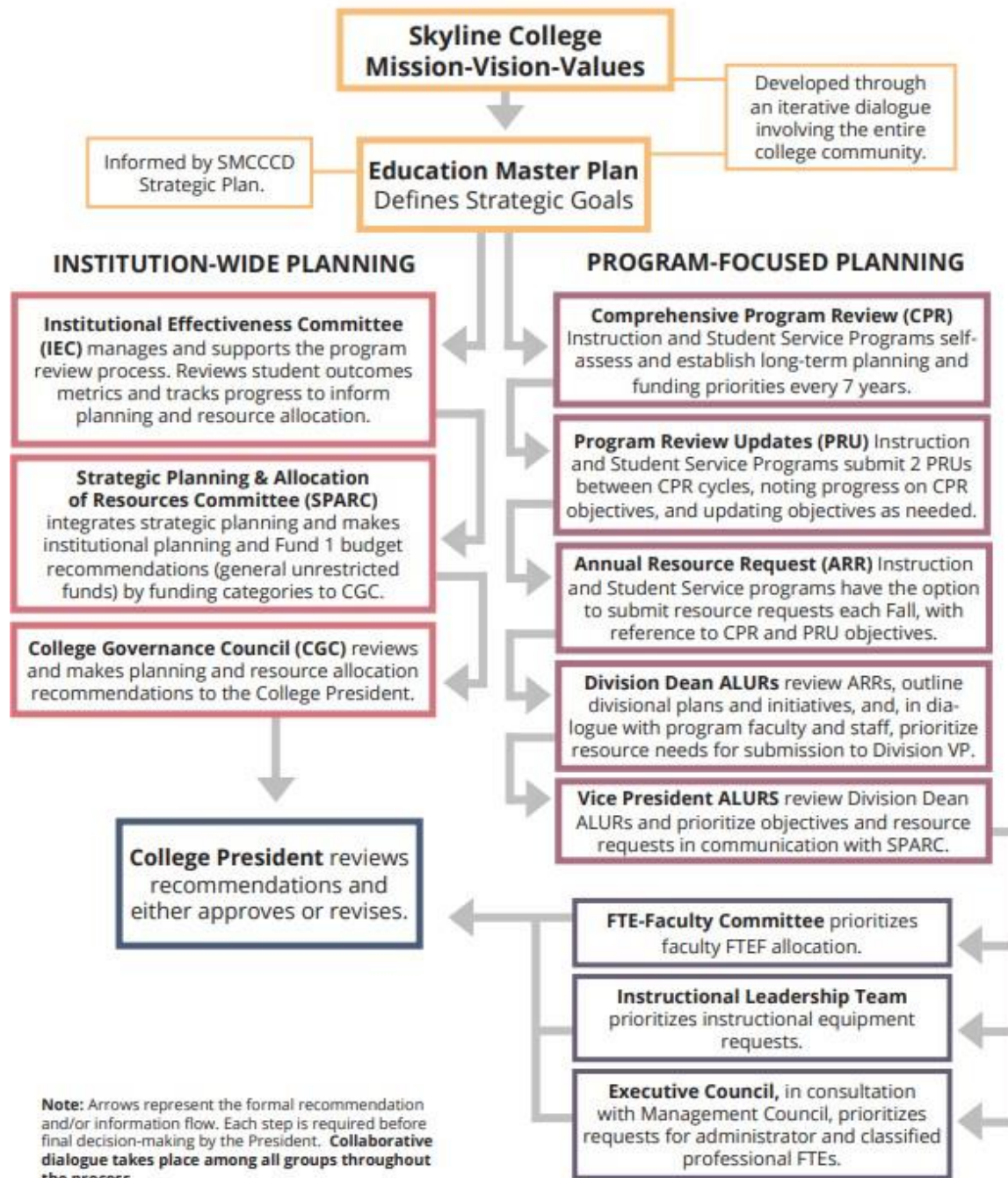
SPARC Budget Update

Thursday, April 9, 2026

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- Skyline's Projected FY27 Site Allocation & Tentative Budget Recommendation

Skyline College Integrated Planning and Resource Allocation Model



Note: Arrows represent the formal recommendation and/or information flow. Each step is required before final decision-making by the President. Collaborative dialogue takes place among all groups throughout the process.

Fund 1 Site Allocation

- Skyline College's Adopted **Fund 1** Site Allocation for Fiscal Year 2025-26 is **\$62,822,203**.
- In FY24-25, these funds helped educate more than 17,586 students, or 6,512 full time equivalent students (FTES).
- This allocation supports 258.61 FTE employees.

What does “Fund 1” mean, refer to?

The SMCCCD financial accounting methodology, like many non-profit organizations, employs “Fund Accounting” which distinguishes budget activity by source.

Why do this?

SMCCCD is entrusted with financial resources that carry legally-binding contractual use restrictions, called “terms.” Example: gift of public funds is not permitted.

As stewards of “term-restricted” financial resources, the institution must comply with specific funding parameters of a sponsoring agency. Fund 1 is described as “unrestricted general funds.”

What are the unique Fund Categories?

Fund 1: General Unrestricted

Fund 2: Self-insured liabilities

Fund 25: Debt service

Fund 3: Restricted Funds

Fund 4: Capital Projects

Fund 5: Bookstore, Cafeteria, SMAC

Fund 6: Child Development Fund

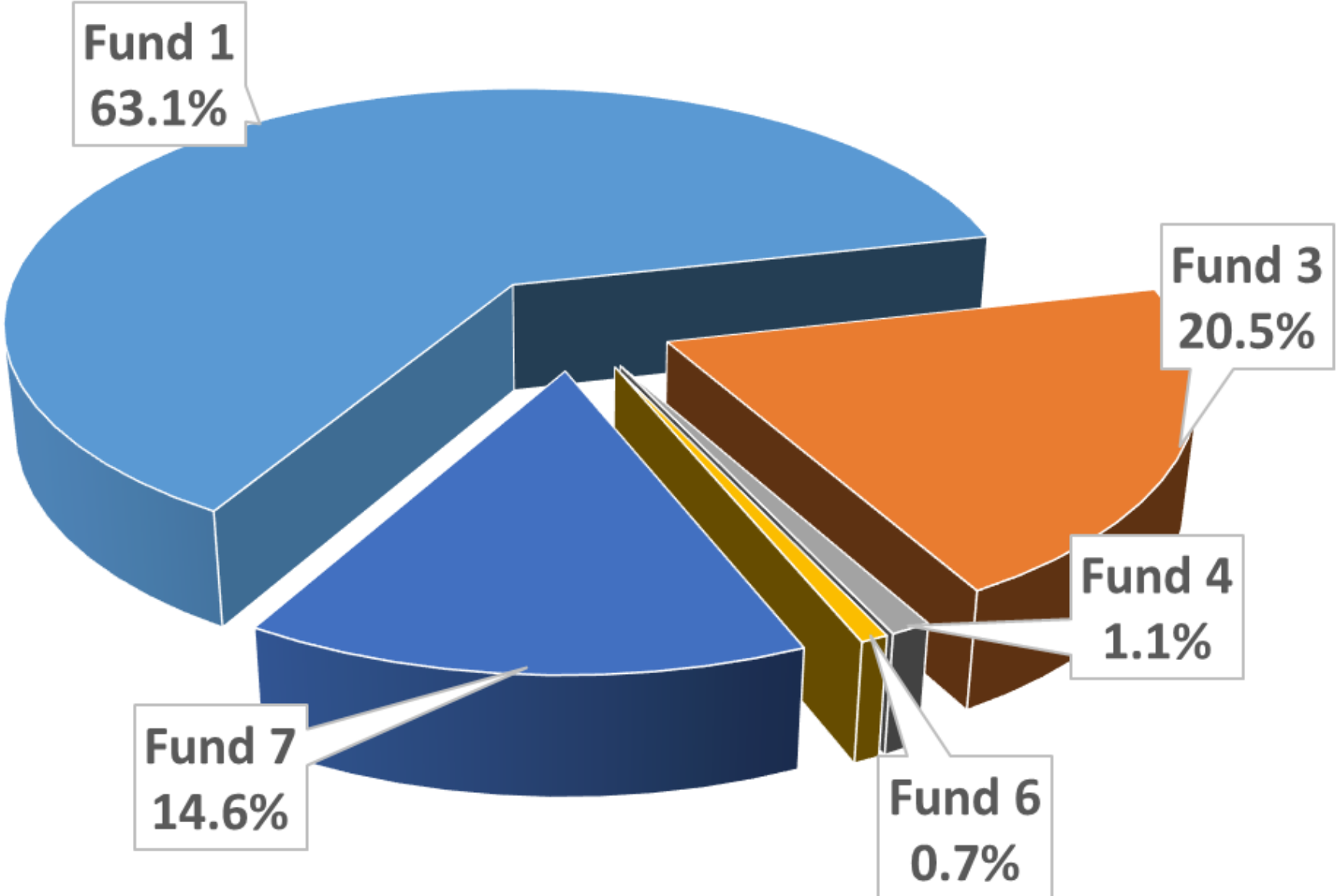
Fund 7: Student Financial Aid

Fund 8: Retirement Reserve Funds

FY2024-2025 Skyline Fund Utilization: \$95.12 million

All Fund Sources

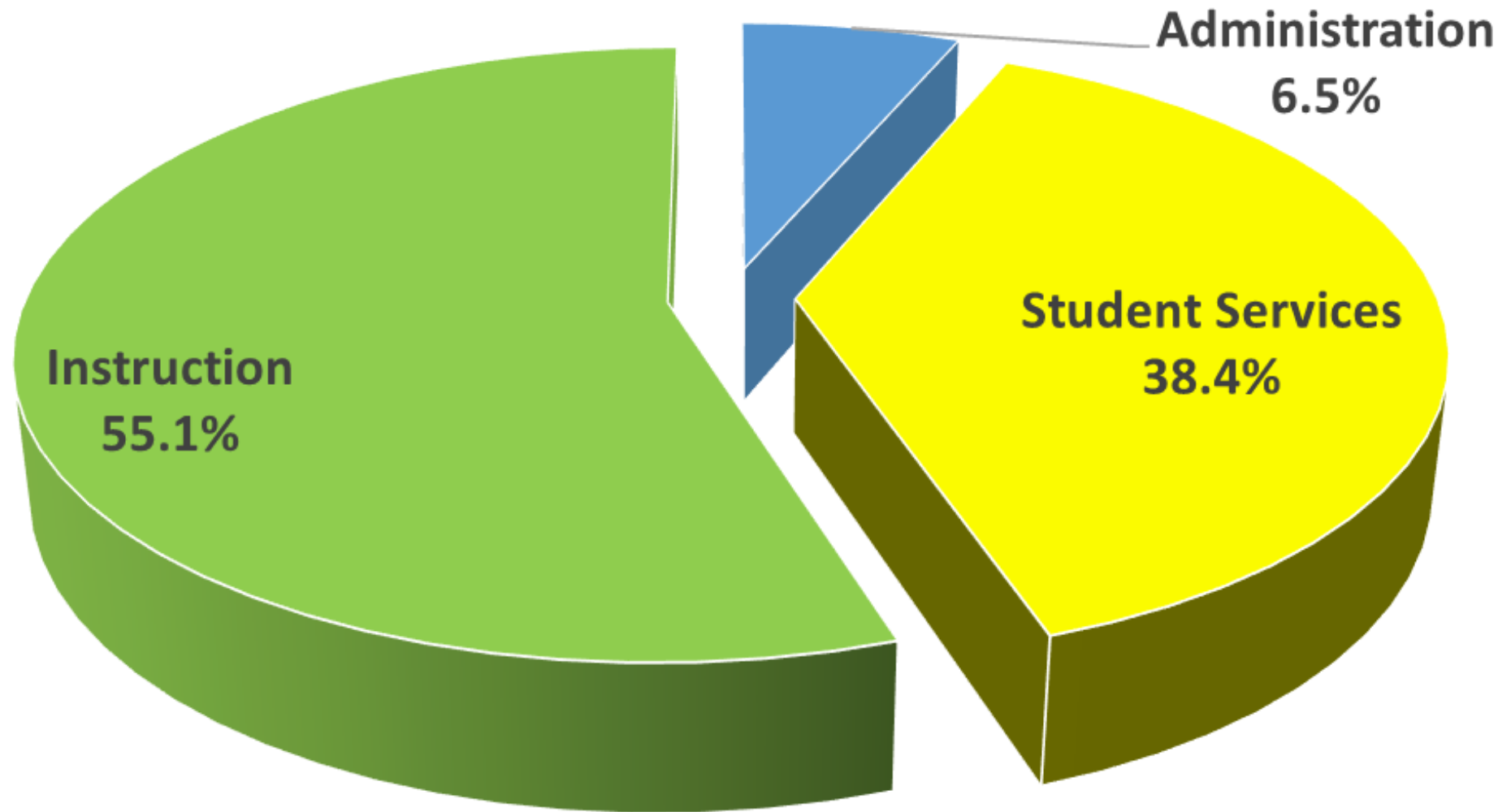
Org 2001 allocated proportionately



FY2024-2025 Skyline Expense by Division

All Fund Sources

Org 2001 allocated proportionately



- Fund 1: Unrestricted General Funds
 - FY26 District-wide unrestricted revenue: \$278,082,104
 - Primarily derived from property taxes.
 - Using a state-wide formula, SMCCCD is one of a few districts wherein revenue (primarily property taxes) exceeds a minimum sufficiency threshold to operate the Colleges. Thus, the District is *community-supported* and does not rely on California State apportionment.

- Fund 1: Unrestricted General Funds
 - At **Skyline College**, Fund 1 sources support approximately:
 - 68.96% salaries
 - 23.46% benefits
 - **92.42%** of Skyline unrestricted funds directly support employee compensation.
 - 69.75 % represents permanent positions (aka position control).

- **Fund 3: Restricted Funds**

- Generally refers to Grants and Contracts, and typically feature ‘terms’ for use, and are therefore “restricted” or “term-restricted.”
- Skyline utilized \$22.67 million in restricted expense in FY24-25.
- These sources mostly originate with State of California through categorical funding, and the federal government, through grants.

- **Fund 3: Restricted Funds**

- For FY25-26, grant and categorical sources are budgeted to support more than \$12.86 million of salary and benefits and make possible the continuation of 63.6 FTE employees, including 15.19 faculty FTE.
- In FY24-25 budget, a total of 166 fund sources were utilized in Fund 3, the average expense of \$152k, with a median expense of \$99k.

- **Fund 4: Capital Projects**

- Buildings and other durable assets that will be *amortized* and depreciated over many years. Also includes equipment.
- Fund 25 includes “Debt Service” which is the cost of borrowing.
- Like other community colleges, SMCCCD has utilized voter-supported capital outlay bond measures to fund new construction and modernize existing campus facilities. This is debt (borrowing), similar to a mortgage.

Fund Characteristics



- Fund 1 or General Unrestricted Fund ***cannot*** be used for *direct aid to students*, such as financial aid, grants, gift cards, books, and in most cases, meals.
- Under the district allocation model, Fund 1 is augmented for any compensation adjustments which includes COLA, LSI (long service increments), step & column adjustments and benefit cost increases.
- All other funds must cover these costs within their budget allocation.
- Total expenditures in each fund should not exceed its budget allocation.

- ***How does Fund fit into overall picture?***
 - The first digit of a fund source indicates “Fund Type”
 - i.e. 10002 = Fund 1,
 - 31069 = Fund 3, etc.
- ***Where is it in FOAP ?***
 - FOAP = Fund – Org – Account – Program
 - How many are there?
 - Skyline began current FY with more than 100 budgeted Fund Sources
 - **Fund 10002** designates Unrestricted General Funds at Skyline

Step Six: Allocate Any Special Amounts Agreed Upon							
	Skyline	Canada	CSM	DO	Facilities	Districtwide	Total
COLA	\$3,156,252	\$2,016,900	\$3,328,316	\$1,102,707	\$949,591	-4,116,229	\$6,437,537
Step & LSI	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DW Technology				\$0	\$0	\$2,192,616	\$2,192,616
College Technology	\$58,321	\$118,770	\$65,471	\$0	\$0	\$0	\$242,563
CPI	\$126,854	\$31,035	\$89,650	\$87,213	\$106,295	\$0	\$441,048
Other	-\$1,543,972		-\$1,919,929	\$570,067		\$0	-\$2,893,834
Innovation Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$1,797,455	\$2,166,706	\$1,563,509	\$1,759,988	\$1,055,887	-\$1,923,613	\$6,419,929
Step Eight: FINAL ALLOCATION							
	Skyline	Canada	CSM	DO	Facilities	Districtwide	Total
PY Site Allocation	\$59,514,918	\$36,061,013	\$56,983,562	\$23,929,631	\$19,547,408	\$75,739,717	\$271,776,249
Step One	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Step Two	\$0	\$0	\$0	\$0	\$0	-\$4,828,850	-\$4,828,850
Step Three	\$0	\$0	\$0	\$0	\$68,852	\$0	\$68,852
Step Four	\$407,717	\$376,838	\$27,979	\$0	\$0	\$0	\$812,534
Step Five	\$0	\$0	\$0	\$203,133	\$0	\$0	\$203,133
Step Six	\$1,797,455	\$2,166,706	\$1,563,509	\$1,759,988	\$1,055,887	-\$1,923,613	\$6,419,929
Step Seven	\$648,421	\$392,888	\$620,841	\$260,716	\$212,971	\$0	\$2,135,837
Total Increase/Decrease	\$2,853,593	\$2,936,432	\$2,212,329	\$2,223,837	\$1,337,710	-\$6,752,463	\$4,811,436
Subtotal	\$62,368,511	\$38,997,445	\$59,195,891	\$26,153,468	\$20,885,118	\$68,987,254	\$276,587,685
Proposition 55 Allocation	\$453,692	\$274,899	\$434,395	\$182,420	\$149,013	\$0	\$1,494,420
FY25-26 Site Allocation	\$62,822,203	\$39,272,344	\$59,630,287	\$26,335,888	\$21,034,131	\$68,987,254	\$278,082,104



FY 2025-26 Adopted Budget

- The Board of Trustees formally adopted the SMCCCD Budget for FY 2025-26 on September 10, 2025. The report is available in the district board packets at

- <http://downloads.smccd.edu/file?s=/sites/downloads/BoT&du=/sites/downloads/BoT/Packets/2025-09-10%20Packet.pdf>

- <http://downloads.smccd.edu/file?s=/sites/downloads/BoT&du=/sites/downloads/BoT/Packets/2025-09-10%20Packet.pdf>

Thank you!

Questions?



Fund 1 Summary: ***Skyline's FY27 Site Allocation***

Thursday, April 9, 2026

Fund 1: FY27 Site Allocation



Step Eight: FINAL ALLOCATION

	<u>Skyline</u>
PY Site Allocation	\$ 62,368,511
Step One	-
Step Two	-
Step Three	-
Step Four	-
Step Five	-
Step Six	1,814,616
Step Seven	(4,830,125)
Total Increase/Decrease	(3,015,509)
Subtotal	59,353,002
Proposition 55 Allocation	456,832
FY26-27 Site Allocation	\$ 59,809,833

Will change!!!

Fund 1: FY27 Site Allocation



Step Eight: FINAL ALLOCATION

	Skyline
PY Site Allocation	\$ 62,368,511
Step One	\$ -
Step Two	\$ -
Step Three	\$ -
Step Four	\$ -
Step Five	\$ -
Step Six	\$ 1,608,986
Step Seven	\$ (2,412,402)
Total Increase/Decrease	\$ (803,416)
Subtotal	\$ 61,565,095
Proposition 55 Allocation	\$ 456,832
FY26-27 Site Allocation	\$ 62,021,927

*Will continue to
change!!!*

Fund 1: FY27 Site Allocation



- As of April 9, 2026, the District Office is currently projecting a reduction of \$803k (-1.3%) to Skyline's site allocation year-over-year.
- The projected decrease is due primarily to plateauing tax revenue combined with anticipated rising costs.
- Mitigating factor:
 - The Assessed Value (which drives tax receipts) is typically low at this point in the year and is likely to increase as year progresses.
- However, planned programmatic growth appears highly unlikely at this point.

Fund 1: FY27 Site Allocation



Tentative Budget Proposed Recommendation:

- SPARC recommends a tentative roll-forward Fund 1 budget (no increases or decreases) for FY26-27.
- Deans and Divisional programs will be able to plan and implement their budget for FY26-27 with no anticipated reductions or increases in Fund 1 support.

Thank you!

Questions?